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Acting Assistant Secretary of State for European Affairs; Robert Bowie, Consultant to State Department; Carl Kaysen, White House Staff; Walter W. Rostow, Counselor of State Department; Edwin Martin, Assistant Secretary of State for Economic Affairs; Robert Schaetzel; and myself.

January 6, 1962 - Saturday

The British and American delegations met at 10 a.m. this morning. It was raining, the temperature 34°.

The most important interchanges dealt with

1. The association of EFTA countries with the Common Market. The UK has obligated itself not to join unless the "legitimate needs" of EFTA partners are met. (This allows a certain elasticity.)

2. The Commonwealth problem

3. a. Temperate agricultural products; b. Tropical agricultural products.

4. Low labor cost countries; Pakistan, India, Hong Kong, Japan, viz. textiles.

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We remain opposed to an indefinite continuance of Commonwealth preferences, and to association of EFTA neutrals. As negotiations progress, we will review our stand.

The conversations were prolonged and useful, interrupted for lunch, which I took with Bob Bowie and Bob Schaetzel at 1925 F Street Club, which I now call "Chez Tim", after its genial presiding genius.

We got home late, and I found the family assembled, but about to disperse. Nicky went to the country with the Phil Grahams, Sasha to a Square Dance, E, David, and myself to the Joe Alsops. The new matrimonial alterations are hugely successful, and the house charming. Tish, Stew Alsop and children were there, as well as Susan Mary's boy; and Charlie Whitehouse, head of the Congo desk at the Department.

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